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January 9, 2004

2004 JAN -9 PM 5:02

Ms. Jean A. Webb
Secretary
Commodity Futures Trading Commission
Three Lafayette Center
1155 21st Street, N.W.
Washington, D.C. 20581

Reference File # 2405.01
Rule Certification

Dear Ms. Webb:

Pursuant to Commission Regulation 40.6, the Chicago Board of Trade (CBOT[®]) hereby submits the following:

- **Delete current Rule 450.00 and add new Rule 450.00 and Rulebook Appendix XX per the attached texts.**

These changes will reformat and simplify Rule 450.00, which governs various Exchange fees. The fee schedules previously specified within Rule 450.00 are being consolidated into a fee chart. This chart is incorporated by reference into new Rule 450.00 and will be published as a new Rulebook Appendix. This approach presents the Exchange's fee schedule in a more concise format without changing the extent to which Rule 450.00 governs such fees.

The CBOT intends to implement these changes one day after the Commission's receipt of this filing.

There were no opposing views among the CBOT's Board of Directors concerning these changes.

The CBOT certifies that these changes conform with the Commodity Exchange Act and the rules thereunder.

Sincerely,

Paul J. Draths
Vice President and Secretary

b102103

Proposed (new) Rule 450.00

450.00 Exchange Service Fees –

(a) **members, membership interest holders and member firms.** Each Full and Associate Member (hereinafter referred to as “Members”), Membership Interest Holder and member firm shall be obligated to pay, at such times and in such manner as the Exchange or e-cbot, as applicable, may prescribe, fees for transactions executed by open auction and on e-cbot, in accordance with the fee schedule set forth in Appendix XX. In that Appendix, the applicable rate specifications shall be per contract/per side, and the applicable volume specifications shall be per calendar month.

- (1) Open auction fee caps – with respect to open auction trades for a Full or Associate Member’s own account, the maximum of fees paid by any Full or Associate Member shall be \$20,000 per year per person who initiates and executes the trades. With respect to open auction trades for the proprietary account of a Regulation 230.02, Category (1a), (1b), (2a) or (2b) member firm which are initiated and executed by the same Member or Membership Interest holder, the maximum of fees paid by any such member firm shall be \$20,000 per year per person who initiates and executes the trades.
- (2) Open auction floor broker fee – Open auction trades executed by a Member or Membership Interest holder as a floor broker for others shall incur a floor brokerage charge of 5 cents per contract/per side. Provided, however, that this charge shall not apply to trades which are both initiated and executed by the same Member or Membership Interest holder for the account of a Member or Membership Interest holder, or the proprietary account of a member firm. The maximum of fees paid by any Full or Associate Member pursuant to this subsection shall be \$20,000 per year. When a Full or Associate Member executes trades as a floor broker for others and also initiates and executes open auction trades for his/her own account, the maximum of fees paid by such Full or Associate Member for all such open auction trades collectively shall be \$20,000 per year.
- (3) Firm-owned memberships – Notwithstanding the foregoing provisions of this section (a), the fees applicable with respect to Memberships and Membership Interests which are owned by member firms shall be equivalent, in the following categories, to those which the Exchange prescribes for delegates:
 - (i) Trades for such Member’s or Membership Interest holder’s own account, in cases where the individual is not a principal of the member firm which owns his/her Membership or Membership Interest. For purposes of this paragraph, an individual shall be deemed a principal of a member firm if he/she holds a majority ownership interest in that firm and/or meets other such criteria as the Exchange may prescribe by regulation; and

- (ii) Trades executed by such Member or Membership Interest holder on behalf of any account other than the proprietary account or a customer account of the member firm owner of the Membership or Membership Interest.
- (b) **non-members.** Each member or registered eligible business organization handling the funds of non-member customers shall include, in the statements to such customers, fees for the open auction and e-cbot transactions executed for the accounts of such customers in accordance with the fee schedule set forth in Appendix XX. In that Appendix, the applicable rate specifications shall be per contract/per side, and the applicable volume specifications shall be per calendar month.
- All such fees collected from non-member customers shall be remitted by the member or registered eligible business organization at such times and in such manner as the Exchange or e-cbot, as applicable, may prescribe.
- (c) **surcharges.** In addition to the fees referenced in sections (a) and (b) of this Rule, surcharges in the following categories will apply as specified in Appendix XX:
- Licensed contract fees;
 - Exchange for Physicals ("EFP") and Exchange for Swap ("EFS") surcharges;
 - Non-trade allocation fees (for exercises, deliveries, assignments and expirations);
 - Block trading surcharges.
- (d) **appendix incorporated within rule.** Appendix XX is incorporated by reference as part of this Rule 450.00 to the extent that the fee provisions in Sections (a) through (c) hereof are specified further in Appendix XX.
- (e) **mini-sized contracts.** e-cbot fees for mini-sized contracts shall be at such rates as the e-cbot Board may prescribe.
- (f) **electronic order routing and floor performance efficiency fees.** In addition to the other applicable fees specified in this Rule, a fee of 5 cents per contract may apply to transactions resulting from orders which are routed to the Exchange Floor and which are subject to floor performance efficiency standards specified by the Exchange.
- (g) **revenue.** The Board of Directors of the Exchange or of e-cbot ("the applicable Board") shall have the authority in its discretion to suspend any of the fees specified in this Rule at any time during a fiscal year upon making a determination that year-to-date Exchange revenues have attained a sufficient level to render the further collection of such fees unwarranted.
- (h) **reports.** Each member or registered eligible business organization subject to the provisions of this Rule shall submit to the Exchange such reports as the applicable Board may deem necessary for the administration of this Rule.
- (i) **enforcement.** No member or registered eligible business organization shall be obligated to the Exchange for the payment of Exchange Service Fees attributable to non-member

transactions except to the extent that such fees are collected from non-member customers; provided, however, that each member or registered eligible business organization responsible for the collection of Exchange Service Fees shall make a bona fide and diligent effort to collect such amounts and shall not have the right, without prior approval of the Exchange, to release or forgive any indebtedness of a non-member to the Exchange for Exchange Service Fees. In the event of delinquencies in the payment of Exchange Service Fees by a non-member, the applicable Board in its discretion may order that further trading in the accounts of such non-member shall be for liquidation only until the indebtedness is paid.

- (j) **special assessments.** This Rule shall not be construed to supersede Rule 240.00 in any way nor to abrogate the responsibility and right of the Board to levy such additional assessments, charges or fees upon the membership as may be necessary to meet the obligations of the Exchange.

Remove current Rule 450.00 in its entirety:

450.00 Exchange Service Fees -

- (a) **members, membership interest holders and member firms.** Each Full and Associate Member (hereinafter referred to as "Members"), Membership Interest Holder and member firm shall be obligated to pay to the Exchange, at such times and in such manner as the Exchange may prescribe, fees for transactions executed by open outcry, in accordance with the following fee schedules. All rate specifications are per contract/per side. All volume specifications are per calendar month.
- (1) Trades for a Member's or Membership Interest holder's own account: 5 cents. The maximum of fees paid by any Full or Associate Member pursuant to this subsection shall be \$25,000 per year per person who initiates and executes the trades.
 - (2) Trades executed by a Member or Membership Interest holder as a floor broker for others: 5 cents. Provided, however, that this charge shall not apply to trades which are both initiated and executed by the same Member or Membership Interest holder for the account of a Member or Membership Interest holder, or the proprietary account of a member firm. The maximum of fees paid by any Full or Associate Member pursuant to this subsection shall be \$25,000 per year. When a Full or Associate Member executes trades as a floor broker for others and also initiates and executes trades for his/her own account, the maximum of fees paid by such Full or Associate Member for all such trades collectively shall be \$25,000 per year.
 - (3) Notwithstanding the provisions of subsections (1) and (2) of this section (a), the fees applicable with respect to Memberships and Membership Interests which are owned by member firms shall be equivalent, in the following categories, to those which the Exchange prescribes for delegates:
 - (i) Trades for such Member's or Membership Interest holder's own account, in cases where the individual is not a principal of the member firm which owns his/her Membership or Membership Interest. For purposes of this paragraph, an individual shall be deemed a principal of a member firm if he/she holds a majority ownership interest in that firm and/or meets other such criteria as the Exchange may prescribe by regulation; and
 - (ii) Trades executed by such Member or Membership Interest holder on behalf of any account other than the proprietary account or a customer account of the member firm owner of the Membership or Membership Interest.
 - (4) Trades for the proprietary account of a Regulation 230.02, Category (1a), (1b), (2a), (2b) or (2c) member firm which are both initiated and executed by the same Member or Membership Interest holder: 5 cents. The maximum of fees paid by any member firm pursuant to this subsection shall be \$25,000 per year per person who initiates and executes the trades. As an alternative, a member firm may designate its proprietary

account trades which are both initiated and executed by the same Member or Membership Interest holder to be subject to the fee schedule set forth in subsection (5).

(5) Trades for a Regulation 230.02, Category (1a), (1b), (2a), (2b) or (2c) member firm's proprietary account other than those described in subsection (4):

- (i) 6 cents for contract volume up to 50,000;
- (ii) 5 cents for contract volume from 50,000 to 150,000; and
- (iii) 4 cents for contract volume in excess of 150,000.

(6) Trades for a Regulation 230.02, Category (3) member firm's proprietary account: 6 cents.

- (b) **non-member.** Each member or registered eligible business organization handling the funds of non-member customers shall include, in the statements to each customer, an Exchange Service Fee, for transactions executed by open outcry, in accordance with the following fee schedule for each Board of Trade contract bought or sold for the account of the non-member customer. All rate specifications are per contract/per side. All volume specifications are per calendar month.

(1) Non-agricultural contracts:

- (i) 50 cents for contract volume up to 50,000;
- (ii) 40 cents for contract volume from 50,000 to 150,000; and
- (iii) 30 cents for contract volume in excess of 150,000.

(2) Agricultural contracts:

- (i) 60 cents for contract volume up to 50,000;
- (ii) 50 cents for contract volume from 50,000 to 150,000; and
- (iii) 40 cents for contract volume in excess of 150,000.

All Exchange Service Fees collected from non-member customers shall be remitted by the member or registered eligible business organization to the Association at such times and in such manner as the Board may prescribe.

- (c) **e-cbot fees for members, membership interest holders and member firms.** Each Full and Associate Member (hereinafter referred to as "Members"), Membership Interest holder and member firm shall be obligated to pay, at such times and in such manner as the e-cbot Board may prescribe, fees for e-cbot transactions in accordance with the following fee schedules. All rate specifications are per contract/per side. All volume specifications are per calendar month.

- (1) Trades for a Member's or Membership Interest holder's own account and trades for the proprietary account of a Regulation 230.02, Category (1a), (1b), (2a), (2b) or (2c) member firm which are personally initiated and executed by a Member or Membership Interest holder, and trades for a member's account which are personally initiated by a Member or Membership Interest holder and executed by a non-member terminal operator who has accessed the e-cbot system in accordance with criteria prescribed by the Exchange by regulation:

- (i) 15 cents for contract volume up to 50,000;

- (ii) 13 cents for contract volume from 50,000 to 150,000; and
- (iii) 10 cents for contract volume in excess of 150,000.

(2) Notwithstanding the provisions of subsection (1) of this section (c), the fees applicable with respect to Memberships and Membership Interests which are owned by member firms shall be equivalent, in the following categories, to those which the Exchange prescribes for delegates:

- (i) Trades for such Member's or Membership Interest holder's own account, in cases where the individual is not a principal of the member firm which owns his/her Membership or Membership Interest. For purposes of this paragraph, an individual shall be deemed a principal of a member firm if he/she holds a majority ownership interest in that firm and/or meets other such criteria as the Exchange may prescribe by regulation; and
 - (ii) Trades executed by such Member or Membership Interest holder on behalf of any account other than the proprietary account or a customer account of the member firm owner of the Membership or Membership Interest.
- (3) Trades for a Member's, Membership Interest holder's or Regulation 230.02, Category (1a), (1b), (2a), (2b) or (2c) member firm's proprietary account other than those described in subsections (1) and (2):
- (i) 35 cents for contract volume up to 50,000;
 - (ii) 30 cents for contract volume from 50,000 to 150,000; and
 - (iii) 25 cents for contract volume in excess of 150,000.

(4) Trades for a Regulation 230.02, Category (3) member firm's proprietary account: 35 cents.

Notwithstanding the foregoing, e-cbot fees for mini-sized contracts shall be at such rates as the e-cbot Board shall prescribe.

- (d) **e-cbot fees for non-members.** Each member or registered eligible business organization handling the funds of non-member customers shall include, in the statements to each customer, an e-cbot fee in accordance with the following schedule for each Board of Trade contract bought or sold through e-cbot for the account of the non-member customer. All rate specifications are per contract/per side. All volume specifications are per calendar month.

(1) Non-agricultural contracts:

- (i) 1 dollar 25 cents for contract volume up to 50,000;
- (ii) 95 cents for contract volume from 50,000 to 150,000; and
- (iii) 70 cents for contract volume in excess of 150,000.

(2) Agricultural contracts: 1 dollar 50 cents.

Notwithstanding the foregoing, e-cbot fees for mini-sized contracts shall be at such rates as the e-cbot Board shall prescribe.

All e-cbot fees collected from non-member customers shall be remitted by the member or registered eligible business organization at such times and in such manner as the e-cbot Board may prescribe.

- (e) **licensed contract fee.** In addition to the fees specified in Rule 450.00(a) through 450.00(d), as applicable, the Board may establish Licensed Contract Fees applicable to transactions in contracts which the Exchange lists for trading pursuant to a licensing arrangement, including, but not limited to, Dow Jonessm and Municipal Bond Index contracts. The maximum rate for any such Licensed Contract Fee shall be 20 cents per contract/per side.
- (f) **EFP/EFS surcharge.** In addition to the fees specified above, as applicable, a surcharge per contract shall apply to Member, Membership Interest holder, member firm and non-member Exchange for Physicals ("EFP") and Exchange for Swap ("EFS") transactions in accordance with the following fee schedule:
 - (1) Non-agricultural transactions: 25 cents.
 - (2) Agricultural transactions: 15 cents.
- (g) **electronic order routing and floor performance efficiency fees.** In addition to the fees specified in Rule 450.00(a) or 450.00(b), as applicable, a fee of 5 cents per contract may apply to transactions resulting from orders which are routed to the Exchange Floor and which are subject to floor performance efficiency standards specified by the Exchange.
- (h) **other fees.** Fees shall apply on a per contract basis for exercises, deliveries, assignments and expirations in accordance with the following fee schedule:
 - (1) For the account of a Member, Membership Interest holder or member firm: 5 cents.
 - (1) For the account of a non-member: 50 cents.
- (i) **CBOT X-Fund surcharge for non-members.** In addition to the fees specified in Rule 450.00(b)(1) and Rule 450.00(h)(2), as applicable, the Board may establish a surcharge applicable to transactions in CBOT X-Fund contracts, bought or sold, and for exercises, deliveries, assignments and expirations for the account of a non-member customer. Any such surcharge shall be on a per side basis.
- (j) **temporary authorization for fee revisions.** The following provisions shall apply in connection with the first amendments to this rule which are adopted by membership vote after November 1, 2001.
 - (1) For a period of six months after the implementation of the above-referenced amendments, the Board of Directors and/or the e-cbot Board of Directors, as applicable, (the "applicable Board"), upon recommendation of the Executive Committee, shall be authorized to adjust the fee provisions specified in this rule, without submitting such adjustments to a membership vote.
 - (2) The applicable Board may approve such adjustments based on a determination, in that Board's sole discretion, that such adjustments are in the best interests of the Exchange and are consistent with Regulation 450.05.
 - (3) The temporary authorization set forth in this section (i) shall expire at the end of the six-month period specified in subsection (1) above.
- (k) **fee obligations, collections and remittals.** Members, Membership Interest holders and

member firms shall be obligated to pay, to the Association, the applicable fees and surcharges specified in Rule 450.00 (e) through (i) in the same manner as is specified in Rule 450.00(a). Fees and surcharges specified in Rule 450.00 (e) through (i) which are applicable to non-member transactions shall be collected and remitted in the same manner as is specified in Rule 450.00(b).

- (l) **block trading surcharge.** In addition to the fees specified in Rule 450.00(a) or 450.00(b), as applicable, a surcharge of 50 cents per contract shall apply to block trade transactions.

Members, Membership Interest holders, and member firms shall be obligated to pay these surcharges to the Exchange in the same manner as is specified in Rule 450.00(a). Surcharges applicable to non-member transactions shall be collected and remitted in the same manner as if specified in Rule 450.00(b).

- (m) **revenue.** The applicable Board shall have the authority in its discretion to suspend member transaction fees, fees on the execution of trades and non-member Exchange Service Fees at any time during a fiscal year upon making a determination that year-to-date Exchange revenues have attained a sufficient level to render the further collection of such fees unwarranted.
- (n) **reports.** Each member or registered eligible business organization subject to the provisions of this Rule shall submit to the Association such reports as the applicable Board may deem necessary for the administration of this Rule.
- (o) **enforcement.** No member or registered eligible business organization shall be obligated to the Association for the payment of Exchange Service Fees attributable to non-member transactions except to the extent that such fees are collected from non-member customers; provided, however, that each member or registered eligible business organization responsible for the collection of Exchange Service Fees shall make a bona fide and diligent effort to collect such amounts and shall not have the right, without prior approval of the Association, to release or forgive any indebtedness of a non-member to the Association for Exchange Service Fees. In the event of delinquencies in the payment of Exchange Service Fees by a non-member, the applicable Board in its discretion may order that further trading in the accounts of such non-member shall be for liquidation only until the indebtedness is paid.
- (p) **special assessments.** This Rule shall not be construed to supersede Rule 240.00 in any way nor to abrogate the responsibility and right of the Board to levy such additional assessments, charges or fees upon the membership as may be necessary to meet the obligations of the Association. 136

APPENDIX XX

EXCHANGE TRANSACTION FEE SCHEDULE						
Fee Level	Account Type (See notes for details)	Platform	Interest Rate & Equity Products		Commodity Products	
			First 25k	Over 25k	First 25k	Over 25k
1	One member trading for a member-owned account on an individual or firm-owned seat	open auction	\$0.05	\$0.05	\$0.05	\$0.05
		e-cbot	\$0.10	\$0.05	\$0.10	\$0.05
			First 100k	Over 100k	First 100k	Over 100k
2	Non-member trading for an individual member's or member-firm's proprietary account	open auction	\$0.06	\$0.05	\$0.06	\$0.05
		e-cbot	\$0.30	\$0.20	\$0.30	\$0.20
3	Non-Members	futures open auction	\$0.30	\$0.30	\$0.60	\$0.50
		options open auction	\$0.50	\$0.40	\$0.60	\$0.50
		all contracts e-cbot	\$0.90	\$0.75	\$1.50	\$1.50

EXCHANGE TRANSACTION FEE SURCHARGES	
Delegates or e-cbot only Member Firms	\$0.15
Exchange for Physical/Swaps - Agricultural	\$0.50
Wholesale Transactions for Swap or Agency Futures	\$0.50
Exchange for Physical/Swaps – U.S. Treasury Bond, 10, 5, & 2 Year Treasury Notes	\$0.25
Exchanges for Physical/Swaps – All Other Financial Contracts	\$1.00
Exchanges for Risk	\$1.00

Note: Surcharges are levied on applicable transactions in addition to standard, mini-sized, and non-trade exchange transaction fees.

General Notes

Fee Level 1 Accounts: For the purposes of this chart, member accounts include: Individual Members, Membership Interest Holders, Proprietary Accounts of Category (1a), (1b), (2a) & (2b) Member Firms as defined in Reg. 230.02. Trades must be both initiated and executed by the Member or a Delegate that has complied with Reg. 450.02.

Fee Level 2 Accounts: For the purposes of this chart, member accounts include: Individual Members, Membership Interest Holders, Proprietary Accounts of Category (1a), (1b), (2a) and (2b) Member Firms as defined in Reg. 230.02 and their affiliates as defined in Reg. 450.02D, and Proprietary Accounts of Category (2c) and (3) Member Firms as defined in Reg. 230.02. Affiliates qualified using a leased membership pay Level 2 fees plus the delegate surcharge. Member accounts where the trade is not initiated and/or executed by a member must also comply with Reg. 450.02.

e-cbot only Member Firms – Proprietary Accounts of Category (4) Member Firms as defined in Reg. 230.02 pay Level 2 fees plus the delegate surcharge for full-sized contracts and Member fees plus the delegate surcharge for mini-sized contracts.

Volume Discounts – The discounted rate applies to all traded contracts within a product complex (financial or commodity) in excess of 25,000 per month for Fee Level 1 and 100,000 per month for Fee Levels 2 and 3. Volumes are aggregated separately for open auction and e-cbot. Only full-sized contracts are eligible for the discount.

MACE Permit Holders – Exchange transaction fee for Rough Rice and mini-sized agricultural contracts is \$0.10.

APPENDIX XX

EXCHANGE MINI-SIZED CONTRACT FEES		
Contract	Member	Non-Member
\$5 Dow	\$0.05	\$0.75
Gold & Silver	\$0.05	\$0.50
Interest Rate	\$0.15	\$0.50
Agricultural	\$0.02	\$0.25

Note: Exchange transaction fees for mini-sized contracts. Fee surcharges also apply to these fees.

CLEARING DIVISION FEE SCHEDULE	
Contracts Cleared (including give-up executions, give-up claims, transfers, EFP's and misclears)	\$0.05
Wholesale Transactions for Swap or Agency Futures	\$0.05
Expired Options	\$0.05
Option Exercises and Assignments	\$0.05
Position Adjustments or Transfers	\$0.05
Futures from Option Exercise or Assignment	\$0.05
Futures Delivered or Cash Settled	\$0.05

EXCHANGE NON-TRADE TRANSACTION FEES		
	Member	Non-Member
Non-Trades	\$0.05	\$0.50

Note: Non-trade fees are exchange transaction fees for Exercises, Deliveries, Assignments and Expirations. Fee surcharges also apply.